

10/8/15
WS

HOSPITAL ENTERPRISE FUND
Budgeted Statement of Revenues and Expenses
and Changes in Net Position
For 2016 and 2017

	2014 Actual *	2015 Budget	2016 Budget	2017 Budget
Revenues (investment earnings):	\$0	\$5,000	\$5,000	\$5,000
Operating Expenses:				
Hospital contributions for capital needs	242,795	462,794	200,000	200,000
Health Facility Expansion			155,889	261,379
Community Health Center	850,000 (a)	500,000	500,000	400,000
Purchased services	38,350			
Depreciation	242,672	203,953	203,953	203,953
Total operating expenses	\$1,373,817	\$1,166,747	\$1,059,842	\$1,065,332
Non-operating revenues (expense)				
Gain (loss) on sales of assets	0	0	0	0
Debt service interest	(61,807)	(61,807)	(57,979)	(53,951)
Capital equipment and other	-	-	-	-
Total non-operating revenue (expense)	(\$61,807)	(\$61,807)	(\$57,979)	(\$53,951)
Earnings (loss) before transfers	(\$1,435,624)	(\$1,223,554)	(\$1,112,821)	(\$1,114,283)
Operating transfers from other funds	1,136,752	1,092,500	1,072,500	1,092,500
Operating transfers to other funds	0	0	0	0
Change in net position	(\$298,872)	(\$131,054)	(\$40,321)	(\$21,783)

(a) Clinic space remodel - \$150K; CHC start-up costs - \$700,000K

* Does not tie to CAFR since City budgets Hospital and LTC separately, and does not budget for PSMCC operations. The CAFR however, aggregates the City's hospital enterprise fund, LTC enterprise fund, and PSMCC financial statements into one fund, since PSMCC operational surpluses or deficits accrue to taxpayers.

CITY OF SEWARD
HOSPITAL ENTERPRISE FUND
Budgeted Statement of Cash Flow
For 2016 and 2017

	<u>2015 Budget</u>	<u>2016 Budget</u>	<u>2017 Budget</u>
Beginning Cash Balance at 1/1/15:	\$600,058		
Cash is provided by (used for):			
Change in net position	<u>(131,054)</u>	<u>(40,321)</u>	<u>(21,783)</u>
Add expense items not affecting cash			
Depreciation	<u>203,953</u>	<u>203,953</u>	<u>203,953</u>
Net cash provided by operations	\$72,899	\$163,632	\$182,170
Other sources (uses) of cash			
Debt principal	<u>(\$72,899)</u>	<u>(\$69,262)</u>	<u>(\$72,899)</u>
Net increase (decrease) in cash	<u>0</u>	<u>94,370</u>	<u>109,271</u>
Estimated ending cash balance	<u><u>\$600,058</u></u>	<u><u>\$694,428</u></u>	<u><u>\$803,699</u></u>

CITY OF SEWARD
HOSPITAL ENTERPRISE FUND
2016 and 2017 Debt Service Schedule

Description	Interest Rate	Balance @ 1/01/16	2016 Budget			Balance @ 12/31/16	Term
			Principal	Interest	Total		
Hospital PERS loan - F03000	5.25%	808,172	56,148	42,429	98,577	752,024	2007 - 2026
Hospital PERS loan - F15001	5.25%	296,195	20,578	15,550	36,128	275,617	2007 - 2026
Totals:		\$1,104,367	\$76,726	\$57,979	\$134,705	\$1,027,641	

Description	Interest Rate	Balance @ 1/01/17	2017 Budget			Balance @ 12/31/17	Term
			Principal	Interest	Total		
Hospital PERS loan - F03000	5.25%	752,024	59,095	39,481	98,576	692,929	2007 - 2026
Hospital PERS loan - F15001	5.25%	275,617	21,658	14,470	36,128	253,959	2007 - 2026
Totals:		\$1,027,641	\$80,753	\$53,951	\$134,704	\$946,888	

FINANCIAL PLAN FOR UTILIZATION OF 1% HEALTHCARE SALES TAX

Assumptions:

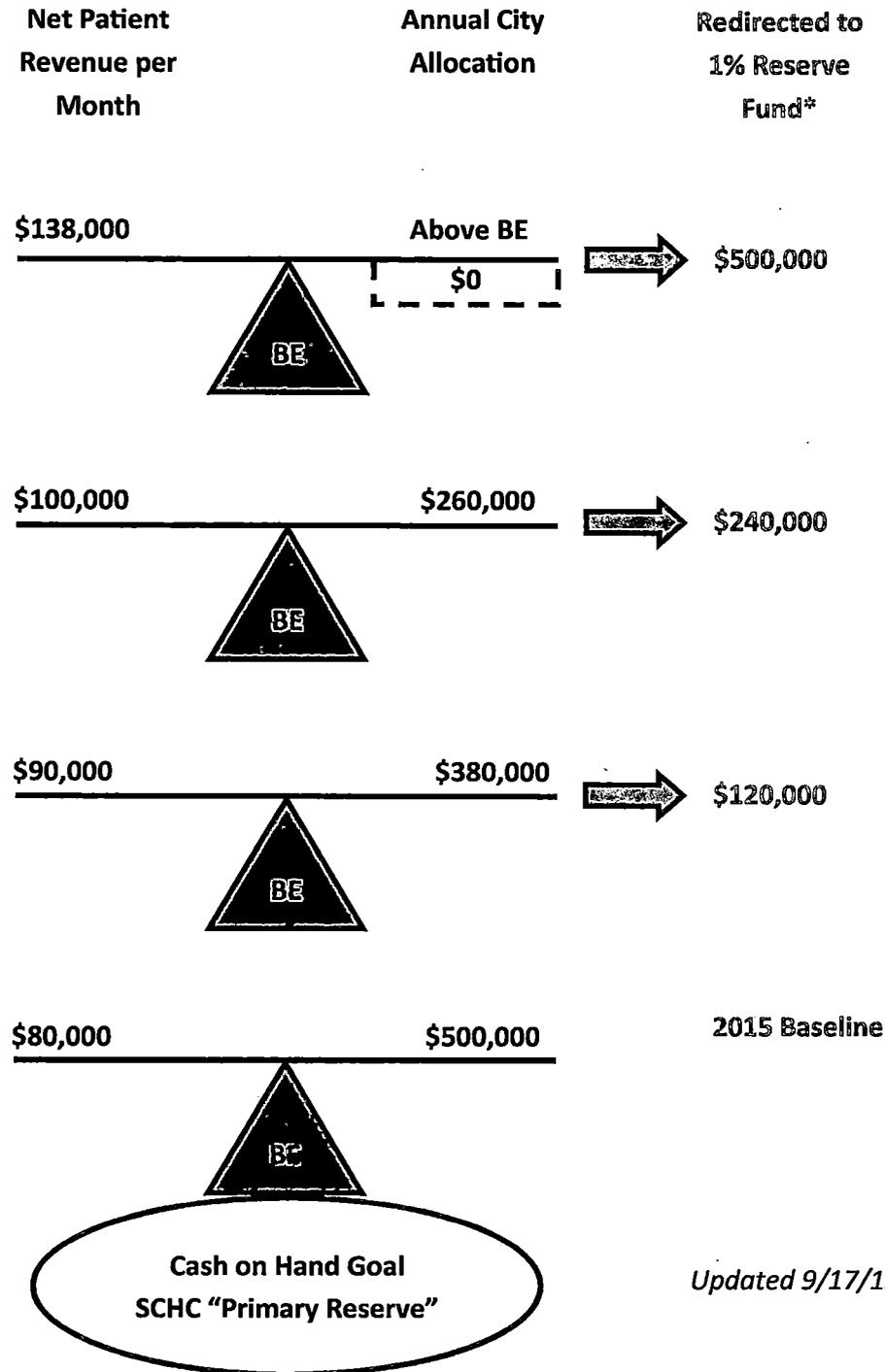
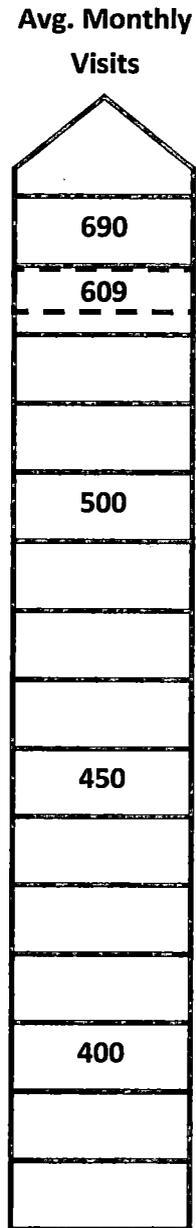
- (a) SMH census will be inadequate to cover LTC Bond debt service costs in the future; census will come in at 33 rather than 34. Prior to 2015, shortfall is \$548,972; recover over remaining 19 years, plus recover annual shortfall due to if census 33.
- (b) Hospital Enterprise Fund owes Motor Pool Fund \$808,172 for SGH PERS Loan; 5.25%, matures 1/1/2026
- (c) Sales tax revenues increase 1/2 of 1% (0.005%) each year.

	Projected Sales Tax Revenue (c)	SMH Bond Reserve (a)	PSMC			Seward CHC		Annual Balance	Cumulative Facility Expansion Reserve	Cumulative addtl Bond Reserve
			Capital Budget	PERS Loan Repay (b)	Facility Expansion	Operating Budget	Facility Expansion			
		(548,972.00)								
2015	1,092,500		462,794	134,705		500,000		(4,999)		
2016	1,097,963	107,368	200,000	134,705	155,889	500,000	-	0	155,889	107,368
2017	1,103,452	107,368	200,000	134,705	161,379	400,000	100,000	0	417,268	214,737
2018	1,108,970	107,368	200,000	134,705	166,897	300,000	200,000	(0)	784,165	322,105
2019	1,114,514	107,368	200,000	134,705	172,441	200,000	300,000	0	1,256,606	429,473
2020	1,120,087	96,418	200,000	134,705	638,964	50,000		(0)	1,895,570	525,891
2021	1,125,687	96,418	200,000	134,705	644,564	50,000		0	2,540,134	622,310
2022	1,131,316	96,418	200,000	134,705	650,193	50,000		(0)	3,190,327	718,728
2023	1,136,972	96,418	200,000	134,705	655,849	50,000		0	3,846,176	815,146
2024	1,142,657	79,993	200,000	134,705	677,959	50,000		0	4,524,135	895,139
2025	1,148,371	79,993	200,000	134,705	683,673	50,000		(0)	5,207,808	975,133
2026	1,154,112	79,993	200,000	134,705	689,414	50,000		0	5,897,222	1,055,126
2027	1,159,883	79,993	200,000		829,890	50,000		(0)	6,727,112	1,135,119
2028	1,165,682	61,743	200,000		853,939	50,000		0	7,581,051	1,196,862
2029	1,171,511	61,743	200,000		859,768	50,000		(0)	8,440,819	1,258,606
2030	1,177,368	61,743	200,000		865,625	50,000		0	9,306,444	1,320,349
2031	1,183,255	61,743	200,000		871,512	50,000		(0)	10,177,956	1,382,092
2032	1,189,172	47,143	200,000		892,028	50,000		0	11,069,984	1,429,235
2033	1,195,117	47,143	200,000		897,974	50,000		0	11,967,958	1,476,379
2034	1,201,093	33,631	200,000		917,462	50,000		(0)	12,885,420	1,510,010
					12,885,420					

SCHC FINANCIAL OVERVIEW

BASELINE ASSUMPTIONS Based on May-August 2015 Experience	
Avg. Monthly Cash Exp.	\$ 190,000
X 1.04 (4% margin)	x 1.04
Monthly Cash Rev. Target	\$ 197,600
Less Monthly 330 Draw	\$ (75,800)
Less Monthly City Allocation	\$ (41,667)
Monthly Net Pt. Rev. Target	\$ 80,133
÷ Avg. Net Rev./Visit	÷ \$200
Avg. Monthly Visits to BE	≈ 400 -> 4,800
÷ 2.5 Visits/Patient/Year	1,920 pts.
% of Service Area Population	35%

2019 Projected Volume / Productivity	
Visits/Day	15
x4 days/week	60
x46 weeks/year	2,760
x3 providers	8,280
÷ 12 months	690
Annual Patients	3,312
% of Service Area	60%
Adjusted for visitors (10%)	54%



Updated 9/17/15